

Our File: JS-2733  
July 14, 2008

**SENT BY EMAIL**

Nova Scotia Utility and Review Board  
1601 Lower Water Street  
Suite 300, Summit Place  
Halifax, NS B3J 3S3

**ATTENTION: Mora G. Stevens, AGA Officer/Clerk of the Board**

Dear Sirs:

**Re: Pay Day Loans - Manitoba Decision  
Reconsideration of Board Order No. 39/08, PD-07-001**

Further to the Board's letter of July 8, 2008, we wish to advise that the Canadian Payday Loans Association's ("CPLA") general concerns regarding the Manitoba Public Utilities Board's original decision have been expressed in our prior submissions to the Board dated April 23, 2008. As to the recent Manitoba Board's Reconsideration Order, the CPLA submits that it still has serious concerns, and in particular, wishes to draw the Nova Scotia Utility and Review Board's attention to the following:

1. The Board decision states at p. 32:

"While some might argue the Board's determination represented an act of social policy and that such policy is the purview of government, the Board differs. Government has regularly sought and allowed the Board to make such policy in the absence of stated government policy." (emphasis added)

The CPLA disagrees with this statement. The Government of Manitoba by the Minister's statements and the subsequent legislation enunciated their policy quite fully. There has been no "absence" of policy, nor is there any evidence that the government "sought" the setting of policy from the Board. Quite the contrary. Sec. 164 (12) of the *Consumer Protection Act* (Manitoba) provides the Board may make nonbinding "recommendations" to the Minister if they wish; however, this is very different from establishing binding policy without consulting the Minister which the Board did in this case.

2. The Board recognizes that it is creating a monopoly or virtual monopoly. The Board states at p. 29:

"The Board concluded (Order 39/08) that the overall effect from the maximum rates and charges established by the Board would be such that efficient payday loan firms would be able to operate in Manitoba".

And further, the Board states at p. 30:

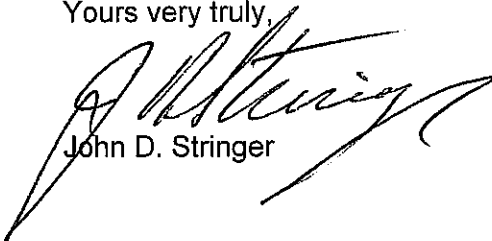
"it is of considerable importance to note that CPLA member firm National Money Mart issued a press release following the issuance of Order 39/08 indicating that the firm expected it would prosper in Manitoba under the new rules."

What is of real significance and was not mentioned by the Board is the fact that there were many press releases issued by industry participants and representatives and it was **only** the press release of Money Mart that did not voice serious dismay and opposition to the Board findings. Clearly, only one dominant company believes they will "prosper" in the post regulatory environment. The CPLA does not believe that the creation of a monopoly or oligarchy is in the interests of industry or the consumer. Based on the statements of the government of Manitoba (and Nova Scotia) and the legislation enacted, we do not believe that is the policy of government either.

As previously stated, the CPLA believes that the Manitoba decision and Reconsideration Order are not relevant in the circumstances and should be ascribed little or no weight pursuant to Section 18T(4)(d) of the *Consumer Protection Act*.

The CPLA believes that it is in the public's interest to implement the maximum cost of borrowing regime provided for under the *Consumer Protection Act* and its Regulations as quickly as possible in order to provide a stable and competitive marketplace throughout the Province.

Yours very truly,



John D. Stringer

JDS/ljm (1205042.1)

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Canadian Payday Loan Association